

The logo consists of the letters 'L', 'B', and 'i' in a bold, red, sans-serif font. The 'i' has a dot. Below the letters is a faint, semi-transparent reflection of the same text.

LBi

Fourth quarter and year-end report 2010

Executive Summary

On 1 August 2010, the reverse merger between LBi International AB and Obtineo Netherlands Holding N.V. (consisting of search engine specialist bigmouthmedia ("BMM") and € 40 million in cash) was finalised, forming a new company operating under the name LBi International N.V. ("LBI"). Today's released statements show actual 3 month and pro forma FY figures for the period under review; for a better understanding of the performance of the combined entities LBi and BMM. The qualitative discussion entails the pro forma statements only. Statutory statements, which include twelve months of LBi and five months of BMM results have been included in the back of this release. All reported figures for Q4 2010 are fully organic.

LBi reports solid sales growth and improved underlying performance Growth fuelled by increasing demand for digital branding, social media and mobile offerings

Amsterdam, 24 February 2011 – LBi International N.V. (NYSE Euronext symbol: LBI), Europe's largest marketing and technology agency, today reports its pro forma and statutory Q4 and FY (12-months) results for the period ended 31 December 2010.

Fourth quarter highlights

- Q4 and FY 2010 net sales up 16% and 11% respectively, reflecting continued recovery of demand and strong commercial progress in major markets;
- Revenue fourth quarter negatively impacted by EUR 2 million (no result impact) due to change in media accounting principles as a consequence of recent transaction with BMM. Prior quarters restated (EUR 0.9 million in Q3);
- EBITDA at EUR 10.6 million includes significant exceptional gain of EUR 3.1 million in fourth quarter related to a reduction in contingent liabilities;
- Adjusted EBITDA was up 23% to EUR 7.5 million year over year, reflecting good underlying operational progress and margin improvement in merger transition year;
- Positive operational cash flow of EUR 11.1 million for the quarter;
- Strong new business wins in the quarter including two significant global mandates for Coca Cola and SABMiller;
- Merger integration proceeds according to plan, with revenue synergies contributing to net sales uplift;
- Market sentiment expected to further improve in 2011 – accelerating interest by clients in agencies that blend search, direct response, data and digital skill sets.

Financial highlights

EUR million	Oct - Dec 2010	Oct - Dec 2009	Change	Jan - Dec 2010	Jan - Dec 2009	Change
Net sales	45.5	39.4	15.5%	175.6	157.9	11.2%
EBITDA adjusted excl exceptional	7.5	6.1	23.0%	28.2	25.2	11.9%
EBITDA margin adjusted*	16.5%	15.5%		16.1%	16.0%	
EBITDA	10.6	4.7		9.4	18.9	
Depr., amort. and impairment	-2.6	-12.2		-9.8	-87.1	
EBIT	8.0	-7.5		-0.4	-68.2	
Net result	5.2	-5.3		-6.5	-71.5	
Earnings per share	0.05	-0.10		-0.07	-1.18	

All figures unaudited

Luke Taylor, CEO of LBi, commented: "In 2010 we remained highly focused on executing our business strategy. The merger with search marketing specialist bigmouthmedia was a major milestone, which further strengthened our full service offering and firmly positions LBi as the number one marketing and technology agency in Europe. In addition, we added new social & mobile services into the hub markets, realised efficiency improvements and executed organisational change and incentive alignment throughout the group to better encourage cross-border knowledge sharing and cooperation.

In combination with a higher global demand for digital services, we were able to grow sales each quarter and improved our underlying operating performance, with especially the last quarter showing good progress. We seek to further capitalise on a positive industry outlook next year, as we notice an accelerating interest by clients in agencies that blend social, search, direct response, data and digital skill sets in order to most efficiently market their products and services.”

Recent developments

Group Results

All comparable figures are on a pro forma and year-on-year basis unless otherwise stated and contain both LBI and BMM results.

Group Results	Q4 2010			Q4 2009			YE 2010			YE 2009		
	Reported	Except. items	Adjusted	Reported	Except. items	Adjusted	Reported	Except. items	Adjusted	Reported	Except. items	Adjusted
EUR million												
Net sales	45.5		45.5	39.4		39.4	175.6		175.6	157.9		157.9
Cost of operations	-38.1		-38.1	-34.2		-34.2	-154.4	6.8	-147.6	-133.7		-133.7
As % of net sales	-83.7%		-83.7%	-86.8%		-86.8%	-87.9%		-84.1%	-84.7%		-84.7%
Restructuring & integration costs	0.0		0.0	-0.9	0.9	0.0	-9.3	9.3	0.0	-5.8	5.8	0.0
Transaction costs	0.0		0.0	0.0		0.0	-5.8	5.8	0.0	0.0		0.0
Other income/ expenses	3.2	-3.1	0.1	0.4	0.5	0.9	3.3	-3.1	0.2	0.5	0.5	1.0
EBITDA	10.6	-3.1	7.5	4.7	1.4	6.1	9.4	18.8	28.2	18.9	6.3	25.2
EBITDA margin	23.3%		16.5%	11.9%		15.5%	5.4%		16.1%	12.0%		15.6%
Depreciation	-1.3		-1.3	-1.0		-1.0	-4.7		-4.7	-4.2	0.9	-3.3
Amortisation & impairment	-1.3		-1.3	-11.2	11.0	-0.2	-5.1		-5.1	-82.9	79.9	-3.0
EBIT	8.0	-3.1	4.9	-7.5	12.4	4.9	-0.4	18.8	18.4	-68.2	87.1	18.9
Net financial items	-2.1		-2.1	0.0		0.0	-2.5		-2.5	-1.9		-1.9
Tax	-0.7		-0.7	2.2		2.2	-3.6		-3.6	-1.4		-1.4
Net profit	5.2	-3.1	2.1	-5.3	12.4	7.1	-6.5	18.8	12.3	-71.5	87.1	15.6

All reported figures for Q4 2010 are organic, with both BMM and Triple impact fully accounted for in all pro forma comparisons.

GENERAL DEVELOPMENTS

LBI continues to perform in line with expectations. Revenue growth is strong and the company has made good operational progress in most markets. During the year under review the organisations of LBI and BMM were fully integrated across all regions. Cross-selling and joint pitching proceeds well in all major markets and revenue synergies driven by the cross sell of search services are already contributing to sales. LBI in the quarter also completed the final phase of the American redesign, consolidating all US operations under a single management team.

Growth trends in digital branded content, social media and mobile communications appear sustainable, with the US and UK regions pace setting the market. The revenue drivers in smaller European countries are less clearly defined as large strategic retained relationships tend to be pitched out of the key global hub territories (US, UK, Germany). There is however good evidence that digital spend will further accelerate in 2011. This is still being driven, in large part, by the necessity to formally embed social network strategies into the marketing mix and also by the ubiquity of app-enabled handsets. LBI has significantly scaled its expertise in both these areas to better service growing demand and ensure that it continues to set the strategic

agenda for clients where digital channels are increasingly the primary route to market.

Furthermore LBI looks set to benefit from two important accelerating trends. First the desire to consolidate all social, direct and data-led marketing activity into single digital agency of record mandates. Secondly the increasing interest in having a single supplier service multiple regions thus protecting economies of scale and ensuring consistency and quality of engagement across multiple consumer touch points. The new large multi-market direct and digital assignments with both Coca Cola and SABMiller are evidence of this momentum.

PRO FORMA NET SALES

Pro forma net sales for the Group are EUR 45.5 million, representing a 16% growth on the same period last year. Net sales in the fourth quarter was negatively impacted by a change in accounting principles regarding revenue recognition for the bigmouthmedia operation. Revenue according to the old principle would have been EUR 2 million higher at EUR 47.5 million for the quarter. Revenue for prior quarter was restated by EUR 0.9 million (down). There is no result impact. In a table at the end of this release we present the restated pro forma net

revenue of the combined Group over the past 8 quarters.

Sales are broadly in line with plan. UK recorded a particularly impressive organic growth of 35%, driven in large part by revenue synergies starting to flow through from the BMM integration and an acceleration in pan-European engagements serviced out of the London hub office. Scandinavia was equally robust and posted a 43% year on year improvement attributable to increased spend levels across Volvo and IKEA. Central and Southern Europe delivered growth of 7.6% which reflects broad building confidence across the region. Growth in Germany was especially strong but partially offset by continued softness in the smaller markets of Belgium, Spain and Italy. There is little evidence yet of significant building revenue momentum in these markets. While USA recorded a strong year on year growth it was flat in Q4. This was primarily driven by the insertion of a new management team in the Syrup unit and a subsequent one time reallocation of revenues to more accurately reflect contracted commitments and additionally the pause in billings during the renegotiation of key client retainer agreements.

COST OF OPERATIONS

Q4 2010 cost of operations came in at EUR 38.1 million (83.7% of net sales) compared to EUR 34.2 million (86.8%) in the same period last year. Personnel expenses (including subcontracting) for the fourth quarter 2010 amounted to EUR 32.6 million (71.6% of net sales), compared to EUR 27.6 million same period last year (70.0% of net sales). The costs of subcontractors in the fourth quarter 2010 were 16.1% (2009: 15.8%) of total personnel expenses. The percentage increase is specific to the recent growth in top line sales. This will realign in 2011 to lower levels as the permanent headcount realigns to the new revenue growth rates.

Included in the personnel expenses is the exceptional item of EUR 3.3 million reflecting the cost of awards granted to key executives. As the awards vest immediately upon the date of grant (8 September 2010), the total market value of the awards has been recorded as a cost in the third quarter, rather than the costs being spread out over the life-time of the awards (see page 85 of the Prospectus).

DEPRECIATION AND AMORTISATION

Depreciation for the fourth quarter 2010 was EUR 1.3 million (2.8% of net sales) compared to EUR 1.0 million (2.5% of net sales) last year.

Amortisation of intangible assets for the fourth quarter 2010 was EUR 1.3 million.

EXCEPTIONAL ITEMS

One of LBI's major shareholders sold approximately 9% of their shareholding to institutional and professional investors. Following the sale of these shares a gain of EUR 3.1 million was recorded in the fourth quarter due to a release of a contingent liability related to the bigmouthmedia acquisition. If the share price of LBI does not reach a target of EUR 1.65 on average during a 3 month period preceding 31 January 2012, the company owes a cash payment to the former bigmouthmedia shareholders (if by that time still a shareholder) equal to the shortfall below EUR 1.65. To cover for that risk, a provision is recorded for an amount of EUR 6.7 million per year-end 2010. The company will release an amount of EUR 2.9 million gradually over the coming year (EUR 725k per quarter) and keep the remainder until settlement date.

During the previous quarters the following exceptional items were recorded: option costs (EUR 3.3 million) and exceptional write-offs (EUR 3.5 million), accounted for in the costs of operations. Restructuring and integration expenses across BMM and LBI were accounted for in previous quarters for an amount of EUR 9.3 million. Total transaction expenses amounted to EUR 10 million, EUR 4.2 million was accounted for directly into equity, and EUR 5.8 million was accounted for in the profit and loss account.

ADJUSTED EBITDA

Adjusted EBITDA (excluding exceptional items) amounts to EUR 7.5 million, a 23% increase over EUR 6.1 million recorded in the fourth quarter 2009. Adjusted EBITDA margin for the quarter stands at 16.5% and 15.5% in the corresponding period last year.

NET FINANCIAL ITEMS

Net financial items for the fourth quarter 2010 amounted to EUR -2.1 million (2009: EUR 0.0 million).

TAXES

Tax costs during the fourth quarter 2010 were EUR -0.7 million (2.2). The majority of these costs relate to usage of the tax losses and the net cash out is therefore minimal.

NET RESULT

Including all exceptional expenses, net result for the fourth quarter 2010 was EUR 5.2 million positive (2009: EUR 5.3 million negative).

EARNINGS PER SHARE

At the end of December the company had 149,766,924 registered shares outstanding, of which 8,610,316 were issued at the end of September as part of the long term incentive plan but are held in a Trust until exercised. The company would have 156,967,024 shares outstanding if all share options would be exercised. EPS for the current period amounts to EUR 0.07 (-0.09). EPS has been calculated based on 141,156,608 shares per year end (149,766,924 – 8,610,316).

FINANCIALS***Operating working capital***

Operating working capital by the end of December 2010 amounted to EUR 43.7 million, compared to EUR 46.2 million end of September 2009.

Including the BMM operations, the DSO of working capital by end of December 2010 was 57 days. Without BMM, this would be 84 days. The difference is due to the contract type activities of BMM invoiced monthly and one-time project activities of LBI.

Net debt and financing

Net debt improved by EUR 3.3 million in the quarter to EUR -9.4 million compared to EUR -6.1 million by the end of September 2010. The equity/assets ratio by end of December ended at 66.2%, which was 69.4% by the end of September.

Cash flow

Operational cash flow for the fourth quarter was EUR 11.1 million positive. The company continues to put focus on cash flow management particularly taking into account the current economic climate.

Earn out provision

The remaining provision for unpaid considerations of acquisitions (earn out dependent on future profitability targets) amounts to EUR 14.9 million by end of December 2010. This amount includes the EUR 6.7 million deferred payment for the BMM acquisition, the provision for the Triple acquisition is EUR 7.8 million. The earn outs concerning Iven &

Hillmann, Syrup and Special Ops have been settled during 2010.

SUBSEQUENT EVENTS 2011

During 2011 LBI will further develop the Dashboard project. During the first quarter of 2011 the costs related to the Dashboard will be accounted for as a special item (Research & Development) in the profit and loss account. The estimate is that the costs involved will be around EUR 600k. From the second quarter the costs from phase one of the Dashboard will be capitalised as the research phase will be over and the project enters the development phase. The total amount to be capitalised for 2011 will be approximately EUR 1.5 million.

Operational review by region (including BMM)

Group

LBi has global operations with 29 offices in 15 countries and a staff of approximately 1,750. LBi's reporting is in accordance with its regional segmentation: UK (currently including India and United Arab Emirates (UAE)), Central and Southern Europe (including China), USA and Scandinavia.

Group Results	Q4 2010	Q4 2009	Change	YE 2010	YE 2009	Change
EUR million						
Net Sales	45.5	39.4	15.5%	175.6	157.9	11.1%
EBITDA adjusted excl exceptionals*	7.5	6.1		28.2	25.2	
EBITDA margin adjusted*	16.5%	15.5%		16.1%	16.0%	
Special items	3.1	-1.4		-18.8	-6.3	
EBITDA	10.6	4.7		9.4	18.9	
Depr., amort. and impairment	-2.6	-12.2		-9.8	-87.1	
EBIT	8.0	-7.5		-0.4	-68.2	
No of employees**	1,769	1,569		1,769	1,569	

* Excluding restructuring, integration and transaction costs, other exceptional and special items

** End of period

Change rates reflect year-on-year comparisons

United Kingdom (including India and UAE)

UK operations continued the trend from Q3 posting very strong top line EBITDA growth. This growth came from revenue development opportunities delivered from the merger, continuation of the trend for customers to procure multi-territory services through the major hubs and acceleration of our Branded Content, Social Media and Mobile offerings.

In India there was a focus on improving operations in order that outsourcing can be accelerated in 2011 and building the profile of the local agency offering in a market that will grow strongly in 2011. The MENA office (Middle East & North Africa) continued to strengthen its regional presence through local client wins in Abu Dhabi, Dubai and Qatar and service extension with existing clients.

Significant client wins in the UK, India and MENA during the fourth quarter include Play.com, Grolsch, Peroni, Confused.com, Malmaison, Saudi Aramco, One Tree Hill and Neutrogena, the start of the extension of our engagement with Johnson and Johnson in the Indian market.

In the UK, fourth quarter 2010 net sales came in at EUR 16.2 million (12.0), an increase of 35%. Adjusted EBITDA was EUR 4.4 million (3.1), bringing EBITDA margin to 27.2% (25.8%).

January – December net sales came in at EUR 57.5 million (48.3), an increase of 19%. Adjusted EBITDA was EUR 17.7 million (13.4), bringing EBITDA margin to a 30.8% (27.7%).

The UK operations generated 32.7% of total Group sales in January – December 2010.

Employees numbered 589 end of December 2010, as opposed to 474 end of December 2009.

Results region UK	Q4 2010	Q4 2009	Change	YE2010	YE 2009	Change
EUR million						
Net Sales	16.2	12.0	35.0%	57.5	48.3	19.0%
EBITDA adjusted excl exceptionals*	4.4	3.1		17.7	13.4	
EBITDA margin adjusted*	27.2%	25.8%		30.8%	27.7%	
Special items	0.0	-0.2		-1.6	-0.6	
EBITDA	4.4	2.9		16.1	12.8	
Depr., amort. and impairment	-1.3	-11.7		-6.5	-34.6	
EBIT	3.1	-8.8		9.6	-21.8	
No of employees**	589	474		589	474	

* Excluding restructuring, integration and transaction costs, other exceptional and special items

** End of period

Change rates reflect year-on-year comparisons

Central and Southern Europe (including China)

In the Central and Southern Europe the country specific nature of performance continued. LBi Germany completed its merger with BMM and together with the earlier integration of Iven & Hillmann, is now one of Germany's leading digital agencies. This, collaboration with the Meta branding business and Meta's continued recovery, helped deliver strong Q4 results. Across the rest of the region results were mixed as project overruns affected performance in the Dutch and Belgian offices and a seasonal slowdown affected the performance of the Italy office.

Spain saw an improvement in performance that reflected broader structural recovery in that market.

Key client wins during the fourth quarter include B-Rail, Bayer and National Lottery in Belgium; NEN en Fujifilm in the Netherlands; Dialogo Insurance, Kartell and YOOX in Italy; Apropos, ImmobilienScout24, Deutsche Post (DHL), ARAG, Jungheinrich, STAWAG in Germany; LowCostHolidays in both Germany and Spain; and Quicksilver and Musikia in France.

Year-on-year net sales in fourth quarter 2010 increased by 7.6% to EUR 16.9 million (15.7). Adjusted EBITDA came in at EUR 2.6 million (1.3) bringing the EBITDA adjusted margin to 15.4% (8.3%).

January – December 2010 net sales came in at EUR 66.1 million (64.8). Adjusted EBITDA came in at EUR 6.5 million (8.6) bringing the EBITDA adjusted margin to 9.8% (13.3%).

The Central and Southern Europe operations generated 37.6% of total Group sales in January – December 2010.

Employees numbered 710 end of December 2010, as opposed to 688 end of December 2009.

Results region Europe	Q4 2010	Q4 2009	Change	YE 2010	YE 2009	Change
EUR million						
Net Sales	16.9	15.7	7.6%	66.1	64.8	2.0%
EBITDA adjusted excl exceptionals*	2.6	1.3		6.5	8.6	
EBITDA margin adjusted*	15.4%	8.3%		9.8%	13.3%	
Special items	-0.1	0.0		-7.4	-3.0	
EBITDA	2.5	1.3		-0.9	5.6	
Depr., amort. and impairment	-0.7	-0.6		-2.3	-27.8	
EBIT	1.8	0.7		-3.2	-22.2	
No of employees**	710	688		710	688	

* Excluding restructuring, integration and transaction costs, other exceptional and special items

** End of period

Change rates reflect year-on-year comparisons

United States of America

Q4 represents the first quarter where LBi USA truly functioned as a single company with one integrated management team, concluding a transformational journey to align vision, services and organisational design.

The benefits of service alignment were most visible in the Johnson & Johnson relationship where our expanded service offering is driving fast growth across both markets and product categories. The Health offering also flourished in the quarter with strong incremental revenue wins within existing clients. The Syrup revenue line suffered as a consequence of the renegotiation of key client retainers in the quarter. Syrup will revert to its historic run rate in Q1 and post strong incremental growth in Q2 on the back of recent new business success.

Revenues in the US were depressed over Q4 as a consequence of shortfalls in the Syrup operational unit. However, this is a one-time event related to the post earn out area. We anticipate that Syrup revenues will revert to the historic height from Q1 onwards.

Key wins in the quarter include International duties on Neutrogena, Global AOR on a Swimwear brand, CBS, and Frontier Communications.

US operations reported net sales in the fourth quarter 2010 of EUR 8.3 million (8.3). Adjusted EBITDA was EUR 1.7 million (1.9) and the EBITDA margin adjusted was 20.5% (22.9%).

January – December 2010 net sales came in at EUR 34.6 million (31.0) a year-on-year increase of 11.6%. Adjusted EBITDA was EUR 6.3 million (5.9) and the EBITDA margin adjusted was 18.2% (19.0%).

US operations generated 19.7% of total Group sales during January – December 2010.

Employees numbered 249 end of December 2010, as opposed to 223 end of December 2009.

Results region USA	Q4 2010	Q4 2009	Change	YE 2010	YE 2009	Change
EUR million						
Net Sales	8.3	8.3	0.0%	34.6	31.0	11.6%
EBITDA adjusted excl exceptionals*	1.7	1.9		6.3	5.9	
EBITDA margin adjusted*	20.5%	22.9%		18.2%	19.0%	
Special items	0.0	-0.3		-3.9	-0.8	
EBITDA	1.7	1.6		2.4	5.1	
Depr., amort. and impairment	-0.7	-0.1		-0.9	-0.3	
EBIT	1.0	1.5		1.5	4.8	
No of employees**	249	223		249	223	

* Excluding restructuring, integration and transaction costs, other exceptional and special items

** End of period

Change rates reflect year-on-year comparisons

Scandinavia

Scandinavian operations continued to do well in Q4 2010. This is in large part due to the significantly expanded and improved leadership team delivered via the Triple acquisition and also the successful management change made in Stockholm in May this year. Key clients like Volvo, IKEA and Swedbank are increasingly focusing on digital and this has accelerated revenue growth as relationships continue to deepen and broaden. The integration with BMM is going well, a number of significant joint wins were delivered and BMM also moved into the LBi Stockholm location during the quarter.

Key client wins during the fourth quarter include Danske Spil, Adressa, and Sonans.

Net sales during the fourth quarter 2010 came in at EUR 5.3 million (3.7), a year-on-year improvement of 43.2%. EBITDA adjusted came in at EUR 0.8 million (0.5). EBITDA margin was 15.1% (13.5%).

January – December 2010 net sales came in at EUR 17.8 million (14.4), a year-on-year improvement of 23.6%. EBITDA adjusted came in at EUR 2.9 million (1.5). EBITDA margin was 16.3% (10.4%).

Scandinavian operations generated 10.1% of total Group sales in January – December 2010.

Employees numbered 202 at the end of December 2010 as opposed to 165 end of December 2009.

Results region Scandinavia						
EUR million	Q4 2010	Q4 2009	Change	YE 2010	YE 2009	Change
Net Sales	5.3	3.7	43.2%	17.8	14.4	23.6%
EBITDA adjusted excl exceptionals*	0.8	0.5		2.9	1.5	
EBITDA margin adjusted*	15.1%	13.5%		16.3%	10.4%	
Special items	0.0	-0.4		-1.1	-0.4	
EBITDA	0.8	0.1		1.8	1.1	
Depr., amort. and impairment	-0.1	-0.4		-0.5	-25.0	
EBIT	0.7	-0.3		1.3	-23.9	
No of employees**	202	165		202	165	

* Excluding restructuring, integration and transaction costs, other exceptional and special items

** End of period

Change rates reflect year-on-year comparisons

Parent Company

Net sales for the Parent Company for the quarter amounted to EUR 1.2 million negative (2009: -0.3), which was related completely to internal invoicing. The EBITDA adjusted result was EUR -2.0 million (-0.7).

The extra costs in the Parent Company in Q4 were specific to the rollout of the Maconomy platform (Group wide ERP system) and the corporate tax and legal re-architecture of the combined LBI / bigmouthmedia business to further optimise the tax structure from 2011 onwards.

Results region Parent Company * & Elimination EUR million	Q4 2010	Q4 2009	YE 2010	YE 2009
Net Sales	-1.2	-0.3	-0.4	-0.6
EBITDA adjusted excl exceptionals**	-2.0	-0.7	-5.2	-4.2
Special items	3.2	-0.5	-4.8	-1.5
EBITDA	1.2	-1.2	-10.0	-5.7
Depr., amort. and impairment	0.2	0.6	0.4	0.6
EBIT	1.4	-0.6	-9.6	-5.1
No of employees***	20	19	20	19

* LBI International N.V., LBI Holding N.V. and Icon Medialab Mijada AB

** Excludes restructuring, transaction and integration costs, other exceptional and special items

*** End of period

Change rates reflect year-on-year comparisons

Risk management

RISKS

LBi is exposed to a number of risks that can affect the Group's earnings and financial position to one degree or another. For a full description of all relevant risks we refer to the LBi annual report 2009. Below the major risks are listed to which the company is exposed.

Economic climate

The majority of LBi's clients' IT and marketing investments are sensitive to changes in the economic climate (e.g. clients may choose to reduce their purchases of LBi's services). Deterioration of the general economic conditions may have an adverse effect on the results of LBi. As a result, LBi might be obliged to adapt its organisation and range of services to prevailing conditions. Since the average backlog and pipeline amounts to approximately two to three months, forecasts and other forward looking statements are primarily based on overall market development and expectations of the management of LBi. Since the market in which LBi is operating is volatile and dynamic, actual results may differ significantly.

Restructuring

Due to the current worldwide economic crisis situation, potential future restructuring cannot be excluded.

Impairment

The company is carrying a considerable amount of goodwill in its balance sheet as a result of its strategy of expansion via acquisitions. Under IFRS goodwill is no longer amortised but instead impairment tests are carried out on a regular basis. An impairment charge is recognised if the present value of future free cash flows is less than the book value in the balance sheet. The impairment test calculations are based on management assumptions and estimates of future market conditions, future performance of the cash flow generating units and on the WACC (weighted average cost of capital) used to discount the future cash flows. If reality ultimately deviates negatively from these estimates and assumptions, an impairment loss might be incurred.

Market and competition

LBi does business in a highly competitive market. Failure to satisfy client demands and remain competitive could be detrimental to the Group's operations, earnings and financial position.

Dependency on major clients

A substantial part of LBi's sales are derived from major international clients. There is no absolute guarantee that one or more of these clients might not choose another supplier or reduce the use of the Group's services in the future in which case the Group's business, result of operations and financial condition could be negatively affected.

Accounting policies

This interim report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. The Group accounting has been prepared in accordance with International Financial Reporting Standards, IFRS, as endorsed by the EU.

The accounting policies and calculation methods are in accordance with the Annual Accounts for 2009.

Reporting of media sales

The service offering of LBi includes an increasing amount of media services. Media services include for example measurement and analytics which are purchased from third party service providers.

According to IFRS, these external services and other third party services can in LBi's case be reported on a gross or net basis. LBi has decided to change the accounting principles from gross to net basis as of 1 July 2007. In the net basis principle, only the mark-up portion of media services is included in net sales. The financial

information for earlier periods in 2006 and 2007 has been adjusted to comply with the new accounting principles for media sales. Historical - financial data per segment for 2006 and 2007 have been disclosed in a separate press release on 1 February 2008.

The change of accounting principles from gross to net gives a more true view of the LBi Group's performance and also gives a better comparison to other companies in the media sector.

Reporting of EBITDA

In order to make the results and performance better comparable with competitors, the company has started to put more focus on EBITDA rather than EBIT. The tables in the financial reports now include EBITDA numbers and margins next to EBIT. For the analysis of the operational performance per segment, EBITDA is a better measure than EBIT since it excludes the amortisation (on client relationships) in acquisitions.

Consolidated income statement – pro forma

EUR million	Oct - Dec 2010	Oct - Dec 2009	Jan - Dec 2010	Jan - Dec 2009
Net sales	45.5	39.4	175.6	157.9
Production expenses	-27.6	-24.5	-112.6	-102.0
Gross margin	17.9	14.9	63.0	55.9
As percentage of net sales	39.3%	37.8%	35.9%	35.4%
Selling expenses	-3.0	-3.3	-13.7	-10.0
Administrative expenses	-10.1	-7.8	-50.3	-34.4
Impairment of intangible assets	0.0	-11.3	-2.6	-79.9
Other operating income/expenses	3.2	0.0	3.2	0.2
Operating profit/loss	8.0	-7.5	-0.4	-68.2
Net financial items	-2.1	0.0	-2.5	-1.9
Profit/loss after financial items	5.9	-7.5	-2.9	-70.1
Tax	-0.7	2.2	-3.6	-1.4
Profit/loss for the period	5.2	-5.3	-6.5	-71.5
Of which attributable to:				
Parent company's shareholders	4.7	-5.3	-6.5	-71.5
Minority interests	0.5	0.0	0.0	0.0
Profit/loss for the period	5.2	-5.3	-6.5	-73.0
Earnings per share, EUR	0.05	-0.10	-0.07	-1.18
Earnings per share after dilution, EUR	0.05	-0.10	-0.07	-1.18

Consolidated income statement – statutory

EUR million	Oct - Dec 2010	Oct - Dec 2009	Jan - Dec 2010	Jan - Dec 2009
Net sales	45.5	34.6	162.8	137.5
Production expenses	-27.6	-23.3	-110.8	-97.2
Gross margin	17.9	11.3	52.0	40.3
As percentage of net sales	39.3%	32.7%	31.9%	29.3%
Selling expenses	-3.0	-3.0	-13.5	-8.8
Administrative expenses	-10.1	-5.8	-38.1	-25.9
Impairment of intangible assets	0.0	0.0	0.0	-68.9
Other operating income/expenses	3.2	0.0	3.3	0.1
Operating profit/loss	8.0	2.5	3.7	-63.1
Net financial items	-2.1	0.1	-1.9	-0.9
Profit/loss after financial items	5.9	2.6	1.8	-64.0
Tax	-0.7	2.3	-2.8	0.2
Profit/loss for the period	5.2	4.9	-1.0	-63.8
Of which attributable to:				
Parent company's shareholders	4.7	4.9	-1.0	-64.0
Minority interests	0.5	0.0	0.0	0.2
Profit/loss for the period	5.2	4.9	-1.0	-63.8
Earnings per share, EUR	0.05	0.08	-0.01	-1.03
Earnings per share after dilution, EUR	0.05	0.08	-0.01	-1.03

Consolidated statement of comprehensive income – statutory

EUR million	Oct - Dec 2010	Oct - Dec 2009	Jan - Dec 2010	Jan - Dec 2009
Profit / loss for the period	5.2	4.9	-1.0	-63.8
Other comprehensive income				
FX differences on translation of foreign operations	-10.2	11.1	-3.2	3.3
Net investment hedge	4.3	-0.7	5.1	3.2
Income tax related to net investment hedge	-1.1	0.2	-1.3	-0.8
Income tax related to components of other comprehensive income	0.6	0.0	1.4	1.3
Total other comprehensive income	-6.4	10.6	2.0	7.0
Total comprehensive income for the period	-1.2	15.5	1.0	-56.8
Total comprehensive income attributable to:				
Parent company's shareholders	-1.7	15.5	1.0	-57.1
Minority interests	0.5	0.0	0.0	0.3
Total comprehensive income	-1.2	15.5	1.0	-56.8

Consolidated balance sheet

EUR million	30 Dec 2010	30 Dec 2009
ASSETS		
Intangible assets	172.9	93.4
Tangible assets	10.4	8.9
Deferred tax assets	57.2	51.0
Financial assets	0.0	1.8
Sum non-current assets	240.5	155.1
Trade accounts receivable	60.7	41.1
Other current assets	23.8	17.1
Cash and cash equivalents	44.3	21.0
Sum current assets	128.8	79.2
Sum assets	369.3	234.3
EQUITY AND LIABILITIES		
Attributed to parent company's shareholders	244.7	136.6
Attributed to minority interest	-0.1	0.1
Shareholders' equity	244.6	136.7
Long term interest bearing liabilities	15.6	24.9
Long term non-interest bearing liabilities	15.3	10.8
Short term interest bearing liabilities	19.3	15.1
Short term non-interest bearing liabilities	74.5	46.8
Sum liabilities	124.7	97.6
Sum equity and liabilities	369.3	234.3

Statement of changes in equity – statutory

EUR million	Share capital	Other contributed capital	Other reserves	Accumulated loss	Minority interest	Total equity
Opening balance 1 January 2009	14.2	167.6	13.1	-1.2	0.1	193.8
Total comprehensive income	0.0	0.0	6.9	-64.0	0.3	-56.8
cost of option plan	0.0	0.0	0.0	0.0	0.0	0.0
Dividend to minority	0.0	0.0	0.0	0.0	-0.3	-0.3
Balance at 31 December 2009	14.2	167.6	20.0	-65.2	0.1	136.7
Opening balance 1 January 2010	14.2	167.6	20.0	-65.2	0.1	136.7
Total comprehensive income	-	-	2.0	-1.0	-	1.0
New share issue	19.7	83.2	-	-	-	103.0
Transaction costs	-	-	-	-	-	0.0
cost of option plan	-	-	3.9	-	-	3.9
Dividend to minority	-	-	-	-	-	0.0
Balance at 31 December 2010	33.9	250.8	25.9	-66.2	0.1	244.6

Consolidated cash flow statement

EUR million	Oct - Dec 2010	Oct - Dec 2009	Jan - Dec 2010	Jan - Dec 2009
Cash flow from operations	6.5	3.2	11.4	10.7
Changes in working capital	4.6	7.7	-0.4	2.3
Cash flow from/ used for operating activities	11.1	10.9	11.0	13.0
Acquisition/divestment of subsidiaries	0.0	-0.4	-17.5	-9.5
Cash flow used for other investing activities	0.3	-0.3	-4.3	-2.7
Cash flow before financing	11.4	10.2	-10.8	0.8
Cash flow from/used for financing activities	-2.4	-1.9	33.0	3.6
Cash flow for the period	9.0	8.3	22.2	4.4
Cash and cash equivalents beginning of period	35.3	13.4	21.0	17.0
Translation differences in cash and cash equivalents	0.0	-0.7	1.1	-0.4
Cash and cash equivalents at end of period	44.3	21.0	44.3	21.0

Quarterly income statement - statutory

EUR million	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Net sales	45.5	44.8	43.9	41.4	39.4	38.9	39.9	39.6
Cost of operation	-38.1	-37.4	-37.0	-35.0	-33.4	-32.3	-33.8	-33.6
Other exceptionals	3.1	-6.8	0.0	0.0	0.0	0.0	0.0	0.0
Transaction & Integration	0.0	-3.1	-3.5	-0.4	0.0	0.0	0.0	0.0
Restructuring cost	0.0	-2.8	0.3	-5.7	-1.3	-0.5	-0.4	-4.7
Other income	0.1	0.0	0.1	0.0	0.4	0.0	0.1	0.1
EBITDA	10.6	-5.3	3.8	0.3	5.1	6.1	5.8	1.4
Depreciation	-1.3	-1.0	-1.1	-1.1	-1.0	-1.1	-1.1	-1.0
Amortisation	-1.3	-0.5	-0.2	-0.8	0.1	-1.1	-0.9	-1.0
Impairment	0.0	0.1	-2.6	0.1	-11.2	-69.7	0.1	0.1
EBIT	8.0	-6.7	-0.2	-1.5	-7.1	-65.8	3.8	-0.6
Net financials	-2.1	1.0	-1.0	-0.4	-0.8	-1.2	0.8	-0.7
PBT	5.9	-5.7	-1.2	-1.9	-7.9	-67.0	4.6	-1.3
Tax	-0.7	-0.7	-1.6	-0.6	1.9	-1.0	-1.5	-0.8
Net result	5.2	-6.4	-2.8	-2.5	-6.0	-68.0	3.1	-2.1

Net revenue restatement – pro forma

EUR million	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Net Revenue old principle	47.5	45.6	45.0	42.8	40.9	40.3	41.0	41.1
Restatement*	-2.0	-0.9	-1.0	-1.4	-1.5	-1.1	-1.4	-1.4
Net Revenue new	45.5	44.7	44.0	41.4	39.4	39.2	39.6	39.7

* Restatement of BMM media related revenue that is now reported net instead of gross in order to align with LBi accounting principles. Net means that only the mark-up (margin) portion of media services is included in net sales.

Key ratios

	Oct - Dec 2010	Oct - Dec 2009	Jan - Dec 2010	Jan - Dec 2009
Change in net sales	15.5%	-11.2%	11.2%	-11.5%
Adjusted EBITDA margin	16.5%	14.4%	16.1%	13.1%
Profit margin	11.4%	14.2%	-3.7%	-46.4%
Equity/assets ratio	66.2%	58.4%	66.2%	58.4%
Avg no of employees	1,755	1,371	1,671	1,469
No of employees end of period	1,769	1,396	1,769	1,396
Sales per employee (EUR x 1000)	104	101	105	94
Adj EBITDA per employee (EUR x 1000)	17	14	17	12
No of shares end of period (x 1000)*	141,157	62,023	141,157	62,023
No of shares after dilution (x 1000)	141,157	62,023	141,157	62,023
Avg no of shares	97,277	62,023	97,277	62,023
Avg no of shares after dilution	97,277	62,023	97,277	62,057
Shareholders' equity per share EUR	1.73	2.20	1.73	2.20
Shareholders' equity per share after dilution EUR	1.73	2.19	1.73	2.19
Cash flow per avg no of shares EUR	0.09	0.13	0.23	0.07

* Excluding 8.6 million shares issued at the end of September as part of the long term incentive plan but are held in a Trust until exercised.

Parent Company

EUR million	Jan - Dec 2010	Jan - Dec 2009
Net sales	2.5	2.9
Gross Margin	2.5	2.9
Administrative expenses	-11.9	-4.9
Operating loss	-9.4	-2.0
Net financial items	11.4	-5.0
PBT	2.0	-7.0
Tax	-0.1	0.0
Profit/loss for the period	1.9	-7.0

EUR million	31 Dec 2010	31 Dec 2009
ASSETS		
Intangible assets	4.6	0.0
Tangible assets	0.2	0.0
Financial assets	153.7	88.4
Sum non-current assets	158.5	88.4
Receivables from group companies	83.9	68.9
Other current assets	2.4	0.9
Cash and cash equivalents	0.0	4.5
Sum current assets	86.3	74.3
Sum assets	244.8	162.7
EQUITY AND LIABILITIES		
Sum shareholders equity	188.0	87.1
Long term interest bearing liabilities	14.9	24.2
Long term non-interest bearing liabilities	0.0	0.1
Short term interest bearing liabilities	20.8	14.8
Liabilities to group companies	12.9	35.7
Short term non-interest bearing liabilities	8.2	0.8
Sum liabilities	56.8	75.6
Sum equity and liabilities	244.8	162.7
Shareholders equity beginning of period	88.8	92.5
Issue new shares	87.9	0.0
Cost of option plan	3.3	0.0
FX differences	5.9	1.6
Profit/loss for the period	2.1	-7.0
Shareholders equity end of period	188.0	87.1

Calendar and contact

Calendar

- The quarterly trading update for the period January – March 2011 will be released on 28 April 2011.
- The AGM 2010 will take place in Amsterdam on 26 May 2011.

Amsterdam, 24 February 2011

LBi discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. This report was submitted for publication at 07:30 CET on 24 February 2011.

The company's auditors have not reviewed this report.

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About LBi

LBi International N.V. (NYSE Euronext Amsterdam: LBI) is the leading European marketing and technology agency with a global reach.

Headquartered in Amsterdam (the Netherlands), LBi has a staff of approximately 1,750 and operations in 15 countries. As a marketing and technology agency, LBi offers services to brands (clients) to help them engage with their customers through digital channels across a wide spectrum of their points of engagement, from initial awareness of the brand, through direct interaction with the services or products offered by the brand, to on-going relationships with the brand.

The company offers a suite of services that are designed to help companies attract, engage and manage customers, more effectively. This full service offering combines analytical, direct marketing and digital competences, which means that LBi is able to develop big creative ideas in the digital space, build and manage complex transactional websites, run complex CRM programmes and even handle the media buying, planning and electronic public relations for blue chip companies.